



JUNE 2002

QUARTERLY PAYROLL NEWSLETTER FORT DETRICK, MARYLAND

Welcome to the quarterly payroll newsletter provided to you by the Payroll Liaison. I hope that this newsletter helps keep everyone informed on new issues from payroll.

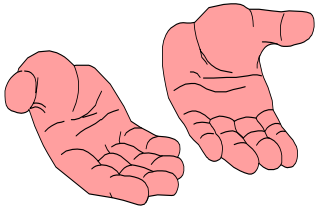


On October 17, 2001, the Office of the Assistant Secretary of Defense authorized the Department of the Army authority to approve student loan repayments. Under this program, agencies are allowed to pay all or part of an outstanding federally insured student loan to recruit and retain highly qualified employees. The repayment of student loans can be used in conjunction with other recruitment incentives. The DOD guidance and Title 5 U.S.C. 5379 should be used when determining eligibility and criteria. Payments by an agency are authorized for up to a maximum of \$6,000 per year for a total of \$40,000 overall per employee. Employees receiving this benefit MUST sign a service agreement to remain in the service of the

paying agency for a period of at least 3 years, unless involuntarily separated, and to repay all benefits received if separated for cause or poor performance.

Managers will verify the existence of, and the balance remaining on qualifying outstanding loans by requesting the candidate/employee provide a letter from the loan holder containing this information. Once confirmed, managers will provide the Customer Service Representative with a copy of the signed service agreement for forwarding to the Defense Finance and Accounting Service (DFAS) in order to begin payments to the loan holder. A copy of the verification of the employee's outstanding federally insured student loan, the manager's justification for authorizing the loan repayment, and a copy of the service agreement will be maintained on the left-hand side of the employee's Official Personnel Folder.

DFAS will make payments to the lender on a biweekly basis. It will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. The loan repayment amount will be considered as taxable wages and tax withholdings will be made on a biweekly basis as appropriate. DOD is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to the repayment agreement.



DON'T LEAVE YOUR SURVIVOR EMPTY-HANDED

Do you know what your loved ones are entitled to, in the event of your untimely death? If you do, have you passed the information on to them?

Unfortunately, death is not something we want to plan for, or think about, let alone talk about. But please, be proactive- check into what benefits your surviving spouse would be entitled to. A good web site that provides some valuable information is located at www.opm.gov. For example, there are three very good pamphlets on the website - www.opm.gov/retire/html/library/index.html. They're

- RI 25-26 CSRS Information for Survivor Annuitants
- RI 25-27 CSRS Survivor Benefits for Children
- SF 3114 Applying for Death Benefits under FERS

Below are some real case scenarios:

- Employee dies leaving a surviving spouse; but when the counselor reviews the Official Personnel Folder (OPF) for beneficiary forms, the only beneficiary form on file for Federal Employee's Group Life Insurance (FEGLI) is a beneficiary form from 1970 naming a former spouse as the only beneficiary. Unfortunately, the counselor then has the difficult task of informing the current spouse that he/she is not the beneficiary of the spouse's life insurance proceeds.

- Employee dies and the surviving spouse has no funds to pay his/her monthly expenses until the monthly survivor death benefits begin, which can take some time.
- A single employee dies with valid beneficiary forms on file, but leaves all benefits to a minor child. No thought is given to funeral expenses which, typically, average about \$6000, so the next of kin must determine how the funeral expenses will be paid. The rules, on the use of children's benefits, are very limited and this must be considered.

Here are some tips to prevent the above scenarios. Employees need to give some consideration to keeping at least a six-month ready cash reserve on hand for surviving spouses in case of death. Adjudication of death benefit claim forms do take time to process and many spouses are left with undue financial strain at a very stressful time. Money may be tied up in stocks, bonds, and other investments but may not be readily available to survivors for funeral expenses and day-to-day living expenses. Make sure those individuals you want as designated beneficiaries are given a copy of the appropriate beneficiary form. There have been cases where a beneficiary form did not get filed in the OPF or not filed timely. Review your OPF annually; especially if a life event has happened that might affect whom you want to be named as your designated beneficiary. IMPORTANT- If you have a potential post-56 military deposit, check into whether it would be beneficial to pay it to increase an annuity. Don't leave this task to your grieving spouse.

Completing beneficiary forms is optional, HOWEVER, it is your responsibility, as a civilian employee, to ensure these forms are current. A change in

marital status or family status DOES NOT automatically change a previously submitted beneficiary form, nor does it prevent the benefactor from receiving the death benefits that you designated. If you do not complete beneficiary forms, your death benefits will be distributed in the order of precedence. This order of precedence is as follows:

- a) Court order property settlement (if applicable).
- b) To the widow or widower.
- c) If none, to the child or children in equal shares, with the share of any deceased child distributed among the descendants of that child.
- d) If none, to the parents in equal shares or the entire amount to the surviving parent.
- e) If none of the above, to the executor or administrator of the estate of the decedent.
- f) If none, to the next of kin under the laws of the state in which the decedent was domiciled at date of death.

There are several types of beneficiary forms that you can complete to designate your death benefits. These forms include:

- Standard Form 2823, Designation of Beneficiary, FEGLI;
- Standard Form 2808, Designation of Beneficiary, Civil Service Retirement System (CSRS);
- Standard Form 3102, Designation of Beneficiary, Federal Employees Retirement System (FERS);
- Standard Form 1152, Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee; and

- TSP-3 Thrift Savings Plan, Designation of Beneficiary.

You may access the SFs 2823, 2808, 3102 and 1152 from <http://www.opm.gov/forms>. You can obtain a copy of the TSP-3 from <http://www.tsp.gov>. When you have completed the forms, you should submit the SF 1152, SF 2823, and SF 3102 to the CPAC. You will submit the SF 2808, if applicable, to OPM at the address on the form. The TSP-3 should be sent to the National Finance Center at the address on the form. You should make copies of your beneficiary forms PRIOR to submitting them. If one of the beneficiaries, that you have listed, has a change in their address, it is advised that a new designation form be submitted reflecting the address change.

A beneficiary form is ONLY NEEDED IF you do not want death benefits paid out according to the legal "order of precedence".

TSP OPEN SEASON

TSP Open Season runs from 15 May 2002 through 31 July 2002. If an employee wishes to make a change in their contribution percentage/amount, they MUST do so through ABC-C. They can either go to <https://www.abc.army.mil> or call 1-877-276-9287 to make their changes. **The employees MUST USE their ABC-C PIN, NOT their TSP PIN.** If the employee calls, they should request a FAX-BACK confirmation sheet. If the employee uses the web site, they should print out the screen stating that YOUR TRANSACTION HAS BEEN SUCCESSFULLY COMPLETED. This will give them documentation that the change was made and the effective date of the change. The employee MUST USE patience when accessing ABC-C either by the web site or the phone. It is also

recommended that the employee DOESN'T WAIT until the 11th hour to make their changes.

TSP ALLOCATIONS

You've increased your contributions, now you want to change the funds in which the contributions are going. To do this, you MUST USE the TSP web site at <http://www.tsp.gov>. For this, **you MUST USE your TSP PIN, not your ABC-C PIN**. You can allocate your contributions between the five (5) different funds, G; F; C; S; and/or I.



DO YOU HAVE AN E/MSS PIN?

Now civilian employees can request their PIN for accessing the Employee/Member Self Service (E/MSS) via the E/MSS web site located at <https://emss.dfas.mil/emss.htm>. Go to "Need a New PIN?" Once the employee has requested the new PIN, it will be mailed to the employee's address on file (i.e. on the pay system, DCPS). If you need more information, please take time to visit the "FAQ" question 28-30 located on the E/MSS web site. Civilian employees now have the capability of changing their Federal Tax, Direct Deposit/EFT, Allotments, Home Address, State Tax, and Savings Bonds. They can also print their W-2; print, view

and save their Leave and Earnings Statement (LES) plus view and print their Travel Vouchers (Travel Advice of Payment). This service allows you, the employee, to quickly change and view your pay account information. Despite the available E/MSS features and options, only 11 percent of the Army's population has established customized PINs to take advantage of this great service. Take advantage of this service to you, the employee, and request your PIN today, if you don't have one. You can save your LES, each pay period, to a disk and not have to worry about another 'missing' LES that you cannot find or replace. You can view you pay account information and verify that it is reflecting the way you desire.



NEED A PER DIEM RATE?

If you are going TDY and need to find out what the per diem rate is, for the place you are traveling to, go to <http://www.dtic.mil/perdiem/pdrform.html> and select the state you are going to. Then you can select the city to see what the per diem rate is. You can also check on the per diem rate for overseas areas also. Make this your first stop when you know that you will be going TDY.

Federal Employees Group Life Insurance Age Groups

If your Group Life Insurance deduction has increased, it is possibly due to a recent birthday that has placed you in a different age group. Once you reach the age of 55, the deductions almost double. The deductions really jump when you reach the age of 60. The increase will be effective the first pay period that starts AFTER your birthday. Below are the age groups and the deduction amounts for Opt A-Standard, Opt B-Additional, and Opt C-Family.

Optional A-Standard (How Much Does Option A cost? Withholding for \$10,000 Insurance)

<u>YOUR AGE GROUP</u>	<u>Biweekly</u>	<u>Monthly</u>
<u>Under 35</u>	<u>\$0.30</u>	<u>\$0.65</u>
<u>35 through 39</u>	<u>\$0.40</u>	<u>\$0.87</u>
<u>40 through 44</u>	<u>\$0.60</u>	<u>\$1.30</u>
<u>45 through 49</u>	<u>\$0.90</u>	<u>\$1.95</u>
<u>50 through 54</u>	<u>\$1.40</u>	<u>\$3.03</u>
<u>55 through 59</u>	<u>\$2.70</u>	<u>\$5.85</u>
<u>60 through 64</u>	<u>\$6.00</u>	<u>\$13.00</u>
<u>65 through 69</u>	<u>\$6.00</u>	<u>\$13.00</u>
<u>70 and over</u>	<u>\$6.00</u>	<u>\$13.00</u>

Optional B – Additional (How Much Does Option B Cost? Withholding for \$1,000 Insurance)

<u>YOUR AGE GROUP</u>	<u>Biweekly</u>	<u>Monthly</u>
<u>Under 35</u>	<u>\$0.03</u>	<u>\$0.065</u>
<u>35 through 39</u>	<u>\$0.04</u>	<u>\$0.087</u>
<u>40 through 44</u>	<u>\$0.06</u>	<u>\$0.130</u>
<u>45 through 49</u>	<u>\$0.10</u>	<u>\$0.217</u>
<u>50 through 54</u>	<u>\$0.15</u>	<u>\$0.325</u>
<u>55 through 59</u>	<u>\$0.31</u>	<u>\$0.672</u>
<u>60 through 64</u>	<u>\$0.70</u>	<u>\$1.517</u>
<u>65 through 69</u>	<u>\$0.70</u>	<u>\$1.517</u>
<u>70 and over</u>	<u>\$0.70</u>	<u>\$1.517</u>

Optional C- Family (How Much Does Option C Cost? Withholding per Multiple)

<u>YOUR AGE GROUP</u>	<u>Biweekly</u>	<u>Monthly</u>
<u>Under 35</u>	<u>\$0.27</u>	<u>\$0.59</u>
<u>35 through 39</u>	<u>\$0.34</u>	<u>\$0.74</u>
<u>40 through 44</u>	<u>\$0.46</u>	<u>\$1.00</u>
<u>45 through 49</u>	<u>\$0.60</u>	<u>\$1.30</u>
<u>50 through 54</u>	<u>\$0.90</u>	<u>\$1.95</u>
<u>55 through 59</u>	<u>\$1.45</u>	<u>\$3.14</u>
<u>60 through 64</u>	<u>\$2.60</u>	<u>\$5.63</u>
<u>65 through 69</u>	<u>\$3.00</u>	<u>\$6.50</u>
<u>70 and over</u>	<u>\$3.40</u>	<u>\$7.37</u>